



Rep. Brandon W. Phelps

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1 AMENDMENT TO HOUSE BILL 5204

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 5204 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Auction License Act is amended by changing  
5 Section 10-1 as follows:

6 (225 ILCS 407/10-1)

7 (Text of Section after amendment by P.A. 95-572)

8 (Section scheduled to be repealed on January 1, 2010)

9 Sec. 10-1. Necessity of license; exemptions.

10 (a) It is unlawful for any person, corporation, limited  
11 liability company, partnership, or other entity to conduct an  
12 auction, provide an auction service, hold himself or herself  
13 out as an auctioneer, or advertise his or her services as an  
14 auctioneer in the State of Illinois without a license issued by  
15 the Department under this Act, except at:

16 (1) an auction conducted solely by or for a

1 not-for-profit organization for charitable purposes;

2 (2) an auction conducted by the owner of the property,  
3 real or personal;

4 (3) an auction for the sale or lease of real property  
5 conducted by a licensee under the Real Estate License Act,  
6 or its successor Acts, in accordance with the terms of that  
7 Act;

8 (4) an auction conducted by a business registered as a  
9 market agency under the federal Packers and Stockyards Act  
10 (7 U.S.C. 181 et seq.) or under the Livestock Auction  
11 Market Law;

12 (5) an auction conducted by an agent, officer, or  
13 employee of a federal agency in the conduct of his or her  
14 official duties; and

15 (6) an auction conducted by an agent, officer, or  
16 employee of the State government or any political  
17 subdivision thereof performing his or her official duties.

18 (b) Nothing in this Act shall be construed to apply to a  
19 new or used vehicle dealer or a vehicle auctioneer licensed by  
20 the Secretary of State of Illinois, or to any employee of the  
21 licensee, who is a resident of the State of Illinois, while the  
22 employee is acting in the regular scope of his or her  
23 employment for the licensee while conducting an auction that is  
24 not open to the public, provided that only new or used vehicle  
25 dealers, rebuilders, automotive parts recyclers, scrap  
26 processors licensed by the Secretary of State, or out-of-state

1 salvage vehicle buyers licensed in ~~by the Secretary of State or~~  
2 ~~licensed by~~ another state or jurisdiction may buy property at  
3 the auction, or to sales by or through the licensee.

4 (c) Nothing in this Act shall be construed to prohibit a  
5 person under the age of 18 from selling property under \$250 in  
6 value while under the direct supervision of a licensed  
7 auctioneer.

8 (d) Nothing in this Act, except Section 10-27, shall be  
9 construed to apply to a person while providing an Internet  
10 auction listing service as defined in Section 10-27.

11 (Source: P.A. 95-572, eff. 6-1-08.)

12 Section 10. The Illinois Vehicle Code is amended by  
13 changing Sections 1-154.7, 3-117.1, 3-118, 5-102, 5-302,  
14 5-403, and 5-702 as follows:

15 (625 ILCS 5/1-154.7)

16 Sec. 1-154.7. Out-of-state salvage vehicle buyer. A person  
17 who is licensed in another state or jurisdiction and acquires  
18 salvage or junk vehicles ~~state~~ for the primary purpose of  
19 ~~acquiring salvage vehicles and who is issued an out-of-state~~  
20 ~~salvage vehicle buyer's identification card in this State for~~  
21 ~~the sole purpose of acquiring salvage vehicles and~~ taking them  
22 out of state.

23 (Source: P.A. 90-89, eff. 1-1-98.)

1 (625 ILCS 5/3-117.1) (from Ch. 95 1/2, par. 3-117.1)

2 Sec. 3-117.1. When junking certificates or salvage  
3 certificates must be obtained.

4 (a) Except as provided in Chapter 4 of this Code, a person  
5 who possesses a junk vehicle shall within 15 days cause the  
6 certificate of title, salvage certificate, certificate of  
7 purchase, or a similarly acceptable out of state document of  
8 ownership to be surrendered to the Secretary of State along  
9 with an application for a junking certificate, except as  
10 provided in Section 3-117.2, whereupon the Secretary of State  
11 shall issue to such a person a junking certificate, which shall  
12 authorize the holder thereof to possess, transport, or, by an  
13 endorsement, transfer ownership in such junked vehicle, and a  
14 certificate of title shall not again be issued for such  
15 vehicle.

16 A licensee who possesses a junk vehicle and a Certificate  
17 of Title, Salvage Certificate, Certificate of Purchase, or a  
18 similarly acceptable out-of-state document of ownership for  
19 such junk vehicle, may transport the junk vehicle to another  
20 licensee prior to applying for or obtaining a junking  
21 certificate, by executing a uniform invoice. The licensee  
22 transferor shall furnish a copy of the uniform invoice to the  
23 licensee transferee at the time of transfer. In any case, the  
24 licensee transferor shall apply for a junking certificate in  
25 conformance with Section 3-117.1 of this Chapter. The following  
26 information shall be contained on a uniform invoice:

1           (1) The business name, address and dealer license  
2           number of the person disposing of the vehicle, junk vehicle  
3           or vehicle cowl;

4           (2) The name and address of the person acquiring the  
5           vehicle, junk vehicle or vehicle cowl, and if that person  
6           is a dealer, the Illinois or out-of-state dealer license  
7           number of that dealer;

8           (3) The date of the disposition of the vehicle, junk  
9           vehicle or vehicle cowl;

10          (4) The year, make, model, color and description of  
11          each vehicle, junk vehicle or vehicle cowl disposed of by  
12          such person;

13          (5) The manufacturer's vehicle identification number,  
14          Secretary of State identification number or Illinois  
15          Department of State Police number, for each vehicle, junk  
16          vehicle or vehicle cowl part disposed of by such person;

17          (6) The printed name and legible signature of the  
18          person or agent disposing of the vehicle, junk vehicle or  
19          vehicle cowl; and

20          (7) The printed name and legible signature of the  
21          person accepting delivery of the vehicle, junk vehicle or  
22          vehicle cowl.

23          The Secretary of State may certify a junking manifest in a  
24          form prescribed by the Secretary of State that reflects those  
25          vehicles for which junking certificates have been applied or  
26          issued. A junking manifest may be issued to any person and it

1 shall constitute evidence of ownership for the vehicle listed  
2 upon it. A junking manifest may be transferred only to a person  
3 licensed under Section 5-301 of this Code as a scrap processor.  
4 A junking manifest will allow the transportation of those  
5 vehicles to a scrap processor prior to receiving the junk  
6 certificate from the Secretary of State.

7 (b) An application for a salvage certificate shall be  
8 submitted to the Secretary of State in any of the following  
9 situations:

10 (1) When an insurance company makes a payment of  
11 damages on a total loss claim for a vehicle, the insurance  
12 company shall be deemed to be the owner of such vehicle and  
13 the vehicle shall be considered to be salvage except that  
14 ownership of (i) a vehicle that has incurred only hail  
15 damage that does not affect the operational safety of the  
16 vehicle or (ii) any vehicle 9 model years of age or older  
17 may, by agreement between the registered owner and the  
18 insurance company, be retained by the registered owner of  
19 such vehicle. The insurance company shall promptly deliver  
20 or mail within 20 days the certificate of title along with  
21 proper application and fee to the Secretary of State, and a  
22 salvage certificate shall be issued in the name of the  
23 insurance company. Notwithstanding the foregoing, an  
24 insurer making payment of damages on a total loss claim for  
25 the theft of a vehicle shall not be required to apply for a  
26 salvage certificate unless the vehicle is recovered and has

1 incurred damage that initially would have caused the  
2 vehicle to be declared a total loss by the insurer. An  
3 ~~insurer making payment of damages on a total loss claim for~~  
4 ~~the theft of a vehicle may exchange the salvage certificate~~  
5 ~~for a certificate of title if the vehicle is recovered~~  
6 ~~without damage. In such a situation, the insurer shall fill~~  
7 ~~out and sign a form prescribed by the Secretary of State~~  
8 ~~which contains an affirmation under penalty of perjury that~~  
9 ~~the vehicle was recovered without damage and the Secretary~~  
10 ~~of State may, by rule or regulation, require photographs to~~  
11 ~~be submitted.~~

12 (1.1) When a vehicle of a self-insured company is to be  
13 sold in the State of Illinois and has sustained damaged by  
14 collision, fire, theft, rust corrosion, or other means so  
15 that the self-insured company determines the vehicle to be  
16 a total loss, or if the cost of repairing the damage,  
17 including labor, would be greater than 50% of its fair  
18 market value without that damage, the vehicle shall be  
19 considered salvage. The self-insured company shall  
20 promptly deliver the certificate of title along with proper  
21 application and fee to the Secretary of State, and a  
22 salvage certificate shall be issued in the name of the  
23 self-insured company. A self-insured company making  
24 payment of damages on a total loss claim for the theft of a  
25 vehicle may exchange the salvage certificate for a  
26 certificate of title if the vehicle is recovered without

1 damage. In such a situation, the self-insured shall fill  
2 out and sign a form prescribed by the Secretary of State  
3 which contains an affirmation under penalty of perjury that  
4 the vehicle was recovered without damage and the Secretary  
5 of State may, by rule, require photographs to be submitted.

6 (2) When a vehicle the ownership of which has been  
7 transferred to any person through a certificate of purchase  
8 from acquisition of the vehicle at an auction, other  
9 dispositions as set forth in Sections 4-208 and 4-209 of  
10 this Code, a lien arising under Section 18a-501 of this  
11 Code, or a public sale under the Abandoned Mobile Home Act  
12 shall be deemed salvage or junk at the option of the  
13 purchaser. The person acquiring such vehicle in such manner  
14 shall promptly deliver or mail, within 20 days after the  
15 acquisition of the vehicle, the certificate of purchase,  
16 the proper application and fee, and, if the vehicle is an  
17 abandoned mobile home under the Abandoned Mobile Home Act,  
18 a certification from a local law enforcement agency that  
19 the vehicle was purchased or acquired at a public sale  
20 under the Abandoned Mobile Home Act to the Secretary of  
21 State and a salvage certificate or junking certificate  
22 shall be issued in the name of that person. The salvage  
23 certificate or junking certificate issued by the Secretary  
24 of State under this Section shall be free of any lien that  
25 existed against the vehicle prior to the time the vehicle  
26 was acquired by the applicant under this Code.

1           (3) A vehicle which has been repossessed by a  
2           lienholder shall be considered to be salvage only when the  
3           repossessed vehicle, on the date of repossession by the  
4           lienholder, has sustained damage by collision, fire,  
5           theft, rust corrosion, or other means so that the cost of  
6           repairing such damage, including labor, would be greater  
7           than 33 1/3% of its fair market value without such damage.  
8           If the lienholder determines that such vehicle is damaged  
9           in excess of 33 1/3% of such fair market value, the  
10          lienholder shall, before sale, transfer or assignment of  
11          the vehicle, make application for a salvage certificate,  
12          and shall submit with such application the proper fee and  
13          evidence of possession. If the facts required to be shown  
14          in subsection (f) of Section 3-114 are satisfied, the  
15          Secretary of State shall issue a salvage certificate in the  
16          name of the lienholder making the application. In any case  
17          wherein the vehicle repossessed is not damaged in excess of  
18          33 1/3% of its fair market value, the lienholder shall  
19          comply with the requirements of subsections (f), (f-5), and  
20          (f-10) of Section 3-114, except that the affidavit of  
21          repossession made by or on behalf of the lienholder shall  
22          also contain an affirmation under penalty of perjury that  
23          the vehicle on the date of sale is not damaged in excess of  
24          33 1/3% of its fair market value. If the facts required to  
25          be shown in subsection (f) of Section 3-114 are satisfied,  
26          the Secretary of State shall issue a certificate of title

1 as set forth in Section 3-116 of this Code. The Secretary  
2 of State may by rule or regulation require photographs to  
3 be submitted.

4 (4) A vehicle which is a part of a fleet of more than 5  
5 commercial vehicles registered in this State or any other  
6 state or registered proportionately among several states  
7 shall be considered to be salvage when such vehicle has  
8 sustained damage by collision, fire, theft, rust,  
9 corrosion or similar means so that the cost of repairing  
10 such damage, including labor, would be greater than 33 1/3%  
11 of the fair market value of the vehicle without such  
12 damage. If the owner of a fleet vehicle desires to sell,  
13 transfer, or assign his interest in such vehicle to a  
14 person within this State other than an insurance company  
15 licensed to do business within this State, and the owner  
16 determines that such vehicle, at the time of the proposed  
17 sale, transfer or assignment is damaged in excess of 33  
18 1/3% of its fair market value, the owner shall, before such  
19 sale, transfer or assignment, make application for a  
20 salvage certificate. The application shall contain with it  
21 evidence of possession of the vehicle. If the fleet vehicle  
22 at the time of its sale, transfer, or assignment is not  
23 damaged in excess of 33 1/3% of its fair market value, the  
24 owner shall so state in a written affirmation on a form  
25 prescribed by the Secretary of State by rule or regulation.  
26 The Secretary of State may by rule or regulation require

1 photographs to be submitted. Upon sale, transfer or  
2 assignment of the fleet vehicle the owner shall mail the  
3 affirmation to the Secretary of State.

4 (5) A vehicle that has been submerged in water to the  
5 point that rising water has reached over the door sill and  
6 has entered the passenger or trunk compartment is a "flood  
7 vehicle". A flood vehicle shall be considered to be salvage  
8 only if the vehicle has sustained damage so that the cost  
9 of repairing the damage, including labor, would be greater  
10 than 33 1/3% of the fair market value of the vehicle  
11 without that damage. The salvage certificate issued under  
12 this Section shall indicate the word "flood", and the word  
13 "flood" shall be conspicuously entered on subsequent  
14 titles for the vehicle. A person who possesses or acquires  
15 a flood vehicle that is not damaged in excess of 33 1/3% of  
16 its fair market value shall make application for title in  
17 accordance with Section 3-116 of this Code, designating the  
18 vehicle as "flood" in a manner prescribed by the Secretary  
19 of State. The certificate of title issued shall indicate  
20 the word "flood", and the word "flood" shall be  
21 conspicuously entered on subsequent titles for the  
22 vehicle.

23 (c) Any person who without authority acquires, sells,  
24 exchanges, gives away, transfers or destroys or offers to  
25 acquire, sell, exchange, give away, transfer or destroy the  
26 certificate of title to any vehicle which is a junk or salvage

1 vehicle shall be guilty of a Class 3 felony.

2 (d) Any person who knowingly fails to surrender to the  
3 Secretary of State a certificate of title, salvage certificate,  
4 certificate of purchase or a similarly acceptable out-of-state  
5 document of ownership as required under the provisions of this  
6 Section is guilty of a Class A misdemeanor for a first offense  
7 and a Class 4 felony for a subsequent offense; except that a  
8 person licensed under this Code who violates paragraph (5) of  
9 subsection (b) of this Section is guilty of a business offense  
10 and shall be fined not less than \$1,000 nor more than \$5,000  
11 for a first offense and is guilty of a Class 4 felony for a  
12 second or subsequent violation.

13 (e) Any vehicle which is salvage or junk may not be driven  
14 or operated on roads and highways within this State. A  
15 violation of this subsection is a Class A misdemeanor. A  
16 salvage vehicle displaying valid special plates issued under  
17 Section 3-601(b) of this Code, which is being driven to or from  
18 an inspection conducted under Section 3-308 of this Code, is  
19 exempt from the provisions of this subsection. A salvage  
20 vehicle for which a short term permit has been issued under  
21 Section 3-307 of this Code is exempt from the provisions of  
22 this subsection for the duration of the permit.

23 (Source: P.A. 95-495, eff. 1-1-08.)

24 (625 ILCS 5/3-118) (from Ch. 95 1/2, par. 3-118)

25 Sec. 3-118. Application for salvage or junking

1 certificate; contents.

2 (a) An application for a salvage certificate or junking  
3 certificate shall be made upon the forms prescribed by the  
4 Secretary of State and contain:

5 1. The name and address of the owner;

6 2. A description of the vehicle including, so far as  
7 the following data exists: its make, year-model,  
8 identifying number, type of body, whether new or used;

9 3. The date of purchase by applicant; and

10 4. Any further information reasonably required by the  
11 Secretary of State.

12 (b) The application for salvage certificate must also  
13 contain the current odometer reading and that the stated  
14 odometer reading is one of the following: actual mileage, not  
15 the actual mileage or mileage is in excess of its mechanical  
16 limits.

17 (c) A salvage certificate may be assigned to any person  
18 licensed under this Act as a rebuilder, automotive parts  
19 recycler, or scrap processor, or to an out-of-state salvage  
20 vehicle buyer. A salvage certificate for a vehicle that has  
21 come from a police impoundment may be assigned to a municipal  
22 fire department. A junking certificate may be assigned to  
23 anyone. The provisions for reassignment by dealers under  
24 paragraph (a) of Section 3-113 shall apply to salvage  
25 certificates, except as provided in Section 3-117.2. A salvage  
26 certificate may be reassigned to one other person to whom a

1 salvage certificate may be assigned pursuant to this Section  
2 licensed under this Act.

3 (Source: P.A. 95-301, eff. 1-1-08.)

4 (625 ILCS 5/5-102) (from Ch. 95 1/2, par. 5-102)

5 Sec. 5-102. Used vehicle dealers must be licensed.

6 (a) No person, other than a licensed new vehicle dealer,  
7 shall engage in the business of selling or dealing in, on  
8 consignment or otherwise, 5 or more used vehicles of any make  
9 during the year (except house trailers as authorized by  
10 paragraph (j) of this Section and rebuilt salvage vehicles sold  
11 by their rebuilders to persons licensed under this Chapter), or  
12 act as an intermediary, agent or broker for any licensed dealer  
13 or vehicle purchaser (other than as a salesperson) or represent  
14 or advertise that he is so engaged or intends to so engage in  
15 such business unless licensed to do so by the Secretary of  
16 State under the provisions of this Section.

17 (b) An application for a used vehicle dealer's license  
18 shall be filed with the Secretary of State, duly verified by  
19 oath, in such form as the Secretary of State may by rule or  
20 regulation prescribe and shall contain:

21 1. The name and type of business organization  
22 established and additional places of business, if any, in  
23 this State.

24 2. If the applicant is a corporation, a list of its  
25 officers, directors, and shareholders having a ten percent

1 or greater ownership interest in the corporation, setting  
2 forth the residence address of each; if the applicant is a  
3 sole proprietorship, a partnership, an unincorporated  
4 association, a trust, or any similar form of business  
5 organization, the names and residence address of the  
6 proprietor or of each partner, member, officer, director,  
7 trustee or manager.

8 3. A statement that the applicant has been approved for  
9 registration under the Retailers' Occupation Tax Act by the  
10 Department of Revenue. However, this requirement does not  
11 apply to a dealer who is already licensed hereunder with  
12 the Secretary of State, and who is merely applying for a  
13 renewal of his license. As evidence of this fact, the  
14 application shall be accompanied by a certification from  
15 the Department of Revenue showing that the Department has  
16 approved the applicant for registration under the  
17 Retailers' Occupation Tax Act.

18 4. A statement that the applicant has complied with the  
19 appropriate liability insurance requirement. A Certificate  
20 of Insurance in a solvent company authorized to do business  
21 in the State of Illinois shall be included with each  
22 application covering each location at which he proposes to  
23 act as a used vehicle dealer. The policy must provide  
24 liability coverage in the minimum amounts of \$100,000 for  
25 bodily injury to, or death of, any person, \$300,000 for  
26 bodily injury to, or death of, two or more persons in any

1 one accident, and \$50,000 for damage to property. Such  
2 policy shall expire not sooner than December 31 of the year  
3 for which the license was issued or renewed. The expiration  
4 of the insurance policy shall not terminate the liability  
5 under the policy arising during the period for which the  
6 policy was filed. Trailer and mobile home dealers are  
7 exempt from this requirement.

8 If the permitted user has a liability insurance policy  
9 that provides automobile liability insurance coverage of  
10 at least \$100,000 for bodily injury to or the death of any  
11 person, \$300,000 for bodily injury to or the death of any 2  
12 or more persons in any one accident, and \$50,000 for damage  
13 to property, then the permitted user's insurer shall be the  
14 primary insurer and the dealer's insurer shall be the  
15 secondary insurer. If the permitted user does not have a  
16 liability insurance policy that provides automobile  
17 liability insurance coverage of at least \$100,000 for  
18 bodily injury to or the death of any person, \$300,000 for  
19 bodily injury to or the death of any 2 or more persons in  
20 any one accident, and \$50,000 for damage to property, or  
21 does not have any insurance at all, then the dealer's  
22 insurer shall be the primary insurer and the permitted  
23 user's insurer shall be the secondary insurer.

24 When a permitted user is "test driving" a used vehicle  
25 dealer's automobile, the used vehicle dealer's insurance  
26 shall be primary and the permitted user's insurance shall

1 be secondary.

2 As used in this paragraph 4, a "permitted user" is a  
3 person who, with the permission of the used vehicle dealer  
4 or an employee of the used vehicle dealer, drives a vehicle  
5 owned and held for sale or lease by the used vehicle dealer  
6 which the person is considering to purchase or lease, in  
7 order to evaluate the performance, reliability, or  
8 condition of the vehicle. The term "permitted user" also  
9 includes a person who, with the permission of the used  
10 vehicle dealer, drives a vehicle owned or held for sale or  
11 lease by the used vehicle dealer for loaner purposes while  
12 the user's vehicle is being repaired or evaluated.

13 As used in this paragraph 4, "test driving" occurs when  
14 a permitted user who, with the permission of the used  
15 vehicle dealer or an employee of the used vehicle dealer,  
16 drives a vehicle owned and held for sale or lease by a used  
17 vehicle dealer that the person is considering to purchase  
18 or lease, in order to evaluate the performance,  
19 reliability, or condition of the vehicle.

20 As used in this paragraph 4, "loaner purposes" means  
21 when a person who, with the permission of the used vehicle  
22 dealer, drives a vehicle owned or held for sale or lease by  
23 the used vehicle dealer while the user's vehicle is being  
24 repaired or evaluated.

25 5. An application for a used vehicle dealer's license  
26 shall be accompanied by the following license fees:

1           \$1,000 for applicant's established place of business,  
2           and \$50 for each additional place of business, if any, to  
3           which the application pertains; however, if the  
4           application is made after June 15 of any year, the license  
5           fee shall be \$500 for applicant's established place of  
6           business plus \$25 for each additional place of business, if  
7           any, to which the application pertains. License fees shall  
8           be returnable only in the event that the application is  
9           denied by the Secretary of State. Of the money received by  
10          the Secretary of State as license fees under this Section  
11          for the 2004 licensing year and thereafter, 95% shall be  
12          deposited into the General Revenue Fund.

13          6. A statement that the applicant's officers,  
14          directors, shareholders having a 10% or greater ownership  
15          interest therein, proprietor, partner, member, officer,  
16          director, trustee, manager or other principals in the  
17          business have not committed in the past 3 years any one  
18          violation as determined in any civil, criminal or  
19          administrative proceedings of any one of the following  
20          Acts:

21                 (A) The Anti Theft Laws of the Illinois Vehicle  
22                 Code;

23                 (B) The Certificate of Title Laws of the Illinois  
24                 Vehicle Code;

25                 (C) The Offenses against Registration and  
26                 Certificates of Title Laws of the Illinois Vehicle

1 Code;

2 (D) The Dealers, Transporters, Wreckers and  
3 Rebuilders Laws of the Illinois Vehicle Code;

4 (E) Section 21-2 of the Illinois Criminal Code of  
5 1961, Criminal Trespass to Vehicles; or

6 (F) The Retailers' Occupation Tax Act.

7 7. A statement that the applicant's officers,  
8 directors, shareholders having a 10% or greater ownership  
9 interest therein, proprietor, partner, member, officer,  
10 director, trustee, manager or other principals in the  
11 business have not committed in any calendar year 3 or more  
12 violations, as determined in any civil or criminal or  
13 administrative proceedings, of any one or more of the  
14 following Acts:

15 (A) The Consumer Finance Act;

16 (B) The Consumer Installment Loan Act;

17 (C) The Retail Installment Sales Act;

18 (D) The Motor Vehicle Retail Installment Sales  
19 Act;

20 (E) The Interest Act;

21 (F) The Illinois Wage Assignment Act;

22 (G) Part 8 of Article XII of the Code of Civil  
23 Procedure; or

24 (H) The Consumer Fraud Act.

25 8. A bond or Certificate of Deposit in the amount of  
26 \$20,000 for each location at which the applicant intends to

1 act as a used vehicle dealer. The bond shall be for the  
2 term of the license, or its renewal, for which application  
3 is made, and shall expire not sooner than December 31 of  
4 the year for which the license was issued or renewed. The  
5 bond shall run to the People of the State of Illinois, with  
6 surety by a bonding or insurance company authorized to do  
7 business in this State. It shall be conditioned upon the  
8 proper transmittal of all title and registration fees and  
9 taxes (excluding taxes under the Retailers' Occupation Tax  
10 Act) accepted by the applicant as a used vehicle dealer.

11 9. Such other information concerning the business of  
12 the applicant as the Secretary of State may by rule or  
13 regulation prescribe.

14 10. A statement that the applicant understands Chapter  
15 1 through Chapter 5 of this Code.

16 (c) Any change which renders no longer accurate any  
17 information contained in any application for a used vehicle  
18 dealer's license shall be amended within 30 days after the  
19 occurrence of each change on such form as the Secretary of  
20 State may prescribe by rule or regulation, accompanied by an  
21 amendatory fee of \$2.

22 (d) Anything in this Chapter to the contrary  
23 notwithstanding, no person shall be licensed as a used vehicle  
24 dealer unless such person maintains an established place of  
25 business as defined in this Chapter.

26 (e) The Secretary of State shall, within a reasonable time

1 after receipt, examine an application submitted to him under  
2 this Section. Unless the Secretary makes a determination that  
3 the application submitted to him does not conform to this  
4 Section or that grounds exist for a denial of the application  
5 under Section 5-501 of this Chapter, he must grant the  
6 applicant an original used vehicle dealer's license in writing  
7 for his established place of business and a supplemental  
8 license in writing for each additional place of business in  
9 such form as he may prescribe by rule or regulation which shall  
10 include the following:

11 1. The name of the person licensed;

12 2. If a corporation, the name and address of its  
13 officers or if a sole proprietorship, a partnership, an  
14 unincorporated association or any similar form of business  
15 organization, the name and address of the proprietor or of  
16 each partner, member, officer, director, trustee or  
17 manager;

18 3. In case of an original license, the established  
19 place of business of the licensee;

20 4. In the case of a supplemental license, the  
21 established place of business of the licensee and the  
22 additional place of business to which such supplemental  
23 license pertains.

24 (f) The appropriate instrument evidencing the license or a  
25 certified copy thereof, provided by the Secretary of State  
26 shall be kept posted, conspicuously, in the established place

1 of business of the licensee and in each additional place of  
2 business, if any, maintained by such licensee.

3 (g) Except as provided in subsection (h) of this Section,  
4 all used vehicle dealer's licenses granted under this Section  
5 expire by operation of law on December 31 of the calendar year  
6 for which they are granted unless sooner revoked or cancelled  
7 under Section 5-501 of this Chapter.

8 (h) A used vehicle dealer's license may be renewed upon  
9 application and payment of the fee required herein, and  
10 submission of proof of coverage by an approved bond under the  
11 "Retailers' Occupation Tax Act" or proof that applicant is not  
12 subject to such bonding requirements, as in the case of an  
13 original license, but in case an application for the renewal of  
14 an effective license is made during the month of December, the  
15 effective license shall remain in force until the application  
16 for renewal is granted or denied by the Secretary of State.

17 (i) All persons licensed as a used vehicle dealer are  
18 required to furnish each purchaser of a motor vehicle:

19 1. A certificate of title properly assigned to the  
20 purchaser;

21 2. A statement verified under oath that all identifying  
22 numbers on the vehicle agree with those on the certificate  
23 of title;

24 3. A bill of sale properly executed on behalf of such  
25 person;

26 4. A copy of the Uniform Invoice-transaction reporting

1 return referred to in Section 5-402 of this Chapter;

2 5. In the case of a rebuilt vehicle, a copy of the  
3 Disclosure of Rebuilt Vehicle Status; and

4 6. In the case of a vehicle for which the warranty has  
5 been reinstated, a copy of the warranty.

6 (j) A real estate broker holding a valid certificate of  
7 registration issued pursuant to "The Real Estate Brokers and  
8 Salesmen License Act" may engage in the business of selling or  
9 dealing in house trailers not his own without being licensed as  
10 a used vehicle dealer under this Section; however such broker  
11 shall maintain a record of the transaction including the  
12 following:

13 (1) the name and address of the buyer and seller,

14 (2) the date of sale,

15 (3) a description of the mobile home, including the  
16 vehicle identification number, make, model, and year, and

17 (4) the Illinois certificate of title number.

18 The foregoing records shall be available for inspection by  
19 any officer of the Secretary of State's Office at any  
20 reasonable hour.

21 (k) Except at the time of sale or repossession of the  
22 vehicle, no person licensed as a used vehicle dealer may issue  
23 any other person a newly created key to a vehicle unless the  
24 used vehicle dealer makes a copy of the driver's license or  
25 State identification card of the person requesting or obtaining  
26 the newly created key. The used vehicle dealer must retain the

1 copy for 30 days.

2 A used vehicle dealer who violates this subsection (k) is  
3 guilty of a petty offense. Violation of this subsection (k) is  
4 not cause to suspend, revoke, cancel, or deny renewal of the  
5 used vehicle dealer's license.

6 (1) Used vehicle dealers licensed under this Section shall  
7 provide the Secretary of State a register for the sale at  
8 auction of each salvage or junk certificate vehicle. Each  
9 register shall include the following information:

10 1. The year, make, model, style and color of the  
11 vehicle;

12 2. The vehicle's manufacturer's identification number  
13 or, if applicable, the Secretary of State or Illinois  
14 Department of State Police identification number;

15 3. The date of acquisition of the vehicle;

16 4. The name and address of the person from whom the  
17 vehicle was acquired;

18 5. The name and address of the person to whom any  
19 vehicle was disposed, the person's Illinois license number  
20 or if the person is an out-of-state salvage vehicle buyer,  
21 the license number from the state or jurisdiction where the  
22 buyer is licensed; and

23 6. The purchase price of the vehicle.

24 The register shall be submitted to the Secretary of State  
25 via written or electronic means within 10 calendar days from  
26 the date of the auction.

1 (Source: P.A. 92-391, eff. 8-16-01; 92-835, eff. 6-1-03; 93-32,  
2 eff. 7-1-03.)

3 (625 ILCS 5/5-302) (from Ch. 95 1/2, par. 5-302)

4 Sec. 5-302. Out-of-state salvage vehicle buyer must be  
5 licensed. (a) No person in this State shall sell or offer at  
6 auction salvage vehicles to a nonresident who is not licensed  
7 in another state or jurisdiction. ~~has not been issued an~~  
8 ~~out of state salvage vehicle buyer's ID card from the Secretary~~  
9 ~~of State under this Section. To qualify for this ID card, the~~  
10 ~~applicant shall submit with the application an out of state~~  
11 ~~dealer license which is issued by the applicant's state and is~~  
12 ~~substantially equivalent to that of a rebuilder, automotive~~  
13 ~~parts recycler or scrap processor, as licensed under this Code.~~

14 (b) (Blank) ~~Any application filed with the Secretary of~~  
15 ~~State, shall be duly verified by oath, in such form as the~~  
16 ~~Secretary of State may by rule or regulation prescribe.~~

17 (c) (Blank) ~~An application for an out of state ID card~~  
18 ~~shall be accompanied by a fee of \$100; provided however, that~~  
19 ~~if an application is made after June 15 of any year, the ID~~  
20 ~~card fee shall be \$50. Any fees shall be returnable only in the~~  
21 ~~event that such application is denied by the Secretary of~~  
22 ~~State.~~

23 (d) (Blank) ~~The Secretary of State shall within a~~  
24 ~~reasonable time after receipt thereof, examine an application~~  
25 ~~submitted to him under this Section and unless he makes a~~

1 ~~determination that the application submitted to him does not~~  
2 ~~conform with the requirements of this Section or that grounds~~  
3 ~~exist for a denial of the application, as prescribed in Section~~  
4 ~~5-501 of this Chapter, grant the applicant an out-of-state~~  
5 ~~salvage vehicle buyer's ID card.~~

6 (e) (Blank) ~~Except as provided in subsection (f) of this~~  
7 ~~Section, licenses granted under this Section shall expire by~~  
8 ~~operation of law on December 31 of the calendar year for which~~  
9 ~~they are granted unless revoked or cancelled under the~~  
10 ~~provisions of Section 5-501 of this Chapter.~~

11 (f) (Blank) ~~Any license granted under this Section may be~~  
12 ~~renewed upon application and payment of the fee required for an~~  
13 ~~original license, provided however, that where an application~~  
14 ~~for the renewal of a license is made during the month of~~  
15 ~~December, the license in effect at the time of application for~~  
16 ~~renewal shall remain in force until such application is granted~~  
17 ~~or denied by the Secretary of State.~~

18 (g) An out-of-state salvage vehicle buyer shall be subject  
19 to the inspection of records pertaining to the acquisition of  
20 salvage vehicles in this State in accordance with this Code and  
21 such rules as the Secretary of State may promulgate.

22 (h) (Blank) ~~Beginning July 1, 1988, the application filed~~  
23 ~~with the Secretary of State shall also contain:~~

24 ~~1. The name and type of business organization of the~~  
25 ~~applicant and his principal or other places of business;~~

26 ~~2. If the applicant is a corporation, a list of its~~

1 ~~officers, directors, and shareholders having a 10% or greater~~  
2 ~~ownership interest in the corporation, setting forth the~~  
3 ~~residence address of each; if the applicant is a sole~~  
4 ~~proprietorship, a partnership, an unincorporated association,~~  
5 ~~a trust, or any similar form of business organization, the~~  
6 ~~names and residence address of the proprietor, or of each~~  
7 ~~partner, member, officer, director, trustee or manager;~~

8 ~~3. A statement that the applicant's officers, directors,~~  
9 ~~shareholders having a 10% or greater ownership interest~~  
10 ~~therein, proprietor, partner, member, officer, director,~~  
11 ~~trustee, manager, or other principals in the business have not~~  
12 ~~committed in the past 3 years any one violation as determined~~  
13 ~~in any civil or criminal or administrative proceedings of any~~  
14 ~~one of the following Acts:~~

15 ~~(A) The "Anti Theft Laws" of the Illinois Vehicle Code;~~

16 ~~(B) The "Certificate of Title Laws" of the Illinois Vehicle~~  
17 ~~Code;~~

18 ~~(C) The "Offenses against Registration and Certificates of~~  
19 ~~Title Laws" of the Illinois Vehicle Code;~~

20 ~~(D) The "Dealers, Transporters, Wreckers and Rebuilders~~  
21 ~~Laws" of the Illinois Vehicle Code;~~

22 ~~(E) Section 21-2 of the Criminal Code of 1961, Criminal~~  
23 ~~Trespass to Vehicles; or~~

24 ~~(F) The "Retailers Occupation Tax Act";~~

25 ~~4. A statement that the applicant's officers, directors,~~  
26 ~~shareholders having a 10% or greater ownership interest~~

1 ~~therein, proprietor, partner, member, officer, director,~~  
2 ~~trustee, manager or other principals in the business have not~~  
3 ~~committed in any calendar year 3 or more violations, as~~  
4 ~~determined in any civil or criminal or administrative~~  
5 ~~proceedings, of any one or more of the following Acts:~~

6 ~~(A) The "Consumer Finance Act";~~

7 ~~(B) The "Consumer Installment Loan Act";~~

8 ~~(C) The "Retail Installment Sales Act";~~

9 ~~(D) The "Motor Vehicle Retail Installment Sales Act";~~

10 ~~(E) "An Act in relation to the rate of interest and other~~  
11 ~~charges in connection with sales on credit and the lending of~~  
12 ~~money", approved May 24, 1879, as amended;~~

13 ~~(F) "An Act to promote the welfare of wage earners by~~  
14 ~~regulating the assignment of wages, and prescribing a penalty~~  
15 ~~for the violation thereof", approved July 1, 1935, as amended;~~

16 ~~(G) Part 8 of Article XII of the Code of Civil Procedure;~~  
17 ~~or~~

18 ~~(H) The "Consumer Fraud Act"; and~~

19 ~~5. A statement that the applicant understands Chapters 1~~  
20 ~~through 5 of this Code.~~

21 (i) (Blank) ~~Any change which renders no longer accurate any~~  
22 ~~information contained in any application for a license filed~~  
23 ~~with the Secretary of State shall be amended within 30 days~~  
24 ~~after the occurrence of such change on such form as the~~  
25 ~~Secretary of State may prescribe by rule or regulation,~~  
26 ~~accompanied by an amendatory fee of \$2.~~

1 (Source: P.A. 86-444.)

2 (625 ILCS 5/5-403) (from Ch. 95 1/2, par. 5-403)

3 Sec. 5-403. (1) Authorized representatives of the  
4 Secretary of State including officers of the Secretary of  
5 State's Department of Police, other peace officers, and such  
6 other individuals as the Secretary may designate from time to  
7 time shall make inspections of individuals and facilities  
8 licensed or required to be licensed under Chapter 5 of the  
9 Illinois Vehicle Code for the purpose of reviewing records  
10 required to be maintained under Chapter 5 for accuracy and  
11 completeness and reviewing and examining the premises of the  
12 licensee's established or additional place of business for the  
13 purpose of determining the accuracy of the required records.  
14 Premises that may be inspected in order to determine the  
15 accuracy of the books and records required to be kept includes  
16 all premises used by the licensee to store vehicles and parts  
17 that are reflected by the required books and records.

18 (2) Persons having knowledge of or conducting inspections  
19 pursuant to this Chapter shall not in advance of such  
20 inspections knowingly notify a licensee or representative of a  
21 licensee of the contemplated inspection unless the Secretary or  
22 an individual designated by him for this purpose authorizes  
23 such notification. Any individual who, without authorization,  
24 knowingly violates this subparagraph shall be guilty of a Class  
25 A misdemeanor.

1           (3) The licensee or a representative of the licensee shall  
2 be entitled to be present during an inspection conducted  
3 pursuant to Chapter 5, however, the presence of the licensee or  
4 an authorized representative of the licensee is not a condition  
5 precedent to such an inspection.

6           (4) Inspection conducted pursuant to Chapter 5 may be  
7 initiated at any time that business is being conducted or work  
8 is being performed, whether or not open to the public or when  
9 the licensee or a representative of the licensee, other than a  
10 mere custodian or watchman, is present. The fact that a  
11 licensee or representative of the licensee leaves the licensed  
12 premises after an inspection has been initiated shall not  
13 require the termination of the inspection.

14           (5) Any inspection conducted pursuant to Chapter 5 shall  
15 not continue for more than 24 hours after initiation.

16           (6) In the event information comes to the attention of the  
17 individuals conducting an inspection that may give rise to the  
18 necessity of obtaining a search warrant, and in the event steps  
19 are initiated for the procurement of a search warrant, the  
20 individuals conducting such inspection may take all necessary  
21 steps to secure the premises under inspection until the warrant  
22 application is acted upon by a judicial officer.

23           (7) No more than 6 inspections of a premises may be  
24 conducted pursuant to Chapter 5 within any 6 month period  
25 except pursuant to a search warrant. Notwithstanding this  
26 limitation, nothing in this subparagraph (7) shall be construed

1 to limit the authority of law enforcement agents to respond to  
2 public complaints of violations of the Code. For the purpose of  
3 this subparagraph (7), a public complaint is one in which the  
4 complainant identifies himself or herself and sets forth, in  
5 writing, the specific basis for their complaint against the  
6 licensee. For the purpose of this subparagraph (7), the  
7 inspection of records pertaining only to scrap metals, as  
8 provided in subdivision (a) (5) of Section 5-401.3 of this Code,  
9 shall not be counted as an inspection of a premises.

10 (8) Nothing in this Section shall be construed to limit the  
11 authority of individuals by the Secretary pursuant to this  
12 Section to conduct searches of licensees pursuant to a duly  
13 issued and authorized search warrant.

14 (9) Any licensee who, having been informed by a person  
15 authorized to make inspections and examine records under this  
16 Section that he desires to inspect records and the licensee's  
17 premises as authorized by this Section, refuses either to  
18 produce for that person records required to be kept by this  
19 Chapter or to permit such authorized person to make an  
20 inspection of the premises in accordance with this Section  
21 shall subject the license to immediate suspension by the  
22 Secretary of State.

23 (10) Beginning July 1, 1988, any person referenced ~~licensed~~  
24 under Section 5-302 shall produce for inspection upon demand  
25 those records pertaining to the acquisition of salvage vehicles  
26 in this State. ~~This inspection may be conducted at the~~

1 ~~principal offices of the Secretary of State.~~

2 (Source: P.A. 95-253, eff. 1-1-08.)

3 (625 ILCS 5/5-702) (from Ch. 95 1/2, par. 5-702)

4 Sec. 5-702. No person shall engage in the business of  
5 auctioning any vehicles for which a salvage certificate is  
6 required by law except to a bidder who is an out-of-state  
7 salvage vehicle buyer or who is properly licensed as a  
8 rebuilder, automotive parts recycler, or scrap processor ~~or~~  
9 ~~out-of-state salvage buyer~~, as required by Section ~~Sections~~  
10 5-301 and ~~5-302~~ of this Chapter.

11 (Source: P.A. 89-663, eff. 8-14-96.)".